

knowledge is based on the wrong premise that it is based on science. It is causing much confusion. Even a cursory glance at the Brhat Samahita will show that there is no connection. Though there is a reference to planets and their motion, they are described as demi-gods which have sex, caste, benefices, good natured or otherwise. They are described as having bile and phlegm and a host of items associated with living beings only. We know, from space research, that planets are not very different from the earth's crust. The arithmetic associated with any portentous phenomena, it claims, consists of using numbers associated with planetary positions and their paths in time, but connected in some very arbitrary way to the life and behaviour of kings, political instability, violent events, matrimony, etc. To include it as a part of science, which is based on observation and established laws, using the language of mathematics, would mean questioning the very foundation of science itself. Thus, astrology is not a science. Astrology should, if anything, be relegated to research on antiquarian studies and more time should be allotted to the study of basic sciences. Thank you.

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu): Sir, I associate myself with the Special Mention made by Dr. Raja Ramanna.

[THE DEPUTY CHAIRMAN In The Chair]

SHRI C.P. THIRUNAVUKKARASU (Pondicherry): Madam, I associate myself with the Special Mention made by Dr. Raja Ramanna.

### SHORT DURATION DISCUSSION

**Decision adopted at the 4<sup>th</sup> ministerial meeting in connection with W.T.O. negotiations, recently concluded at Doha, which have far reaching implications on the Agriculture, Textile, Pharmaceutical and chemical sector etc. of the country**

THE DEPUTY CHAIRMAN: Now, we take up the Short Duration Discussion. Shri Pranab Mukherjee.

SHRI PRANAB MUKHERJEE (West Bengal) : Thank you, Madam Deputy Chairperson. ...*(Interruptions)*...

THE MINISTER OF RURAL DEVELOPMENT (SHRI M. VENKAIAH NAIDU): Madam, it is 12.45 p.m. We have only 15 minutes for lunch-break. So, I would suggest that we can hear Mr. Pranab Mukherjee after

lunch.

THE DEPUTY CHAIRMAN: Yes; we can do it, if Shri Pranab Mukherjee so agrees. But I do not know how much time he will take.

SHRI PRANAB MUKHERJEE: Madam, I think, I will require at least half-an-hour. So, I will suggest ...*(Interruptions)*...

SHRI SANGH PRIYA GAUTAM (Uttaranchal) : Madam, he is an important speaker. Let him speak after lunch. ...*(Interruptions)*...

SHRI M. VENKAIAH NAIDU: Either way; or we can sit up to 1.15 p.m.

SHRI PRANAB MUKHERJEE: Madam, I can resume after lunch. We can break for lunch. Let us not do away with the lunch-break. We can resume after that. So, let me start. ...*(Interruptions)*...

SHRI M. VENKAIAH NAIDU: Sir, we are more interested to hear you, without any break. ...*(Interruptions)*...

SHRI PRANAB MUKHERJEE: I have no problem. But, in that case, you will have to defer your lunch hour a little bit; whatever you want, I have no problem.

SHRI M. VENKAIAH NAIDU: Madam, my suggestion would be that we can sit for half an hour from 12.45 to 1.15, provided you all agree; and then we can adjourn for lunch and meet again, because, in that case, continuity would be there, which would help us.

THE DEPUTY CHAIRMAN: If the House so agrees, I have no problem. And, I remember the time when Mr. Pranab Mukherjee signed the Marrakesh Agreement and came here. At that time, he was sitting in your place and some other Members who were sitting on this side made my life miserable, to have that particular discussion under a motion so that the Government could be voted out. Now, the situation is same; only the sides have changed. So, let us see. But he has agreed to discuss it under Short Duration Discussion. He is not discussing it under a motion so that the Government could be voted out.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI O. RAJAGOPAL) : At two o'clock, Madam, the Railway Supplementary Demands for Grants is to be presented.

THE DEPUTY CHAIRMAN: That is only to be laid. It can be presented at 2.15 p.m. There is no problem.

SHRI PRANAB MUKHERJEE (West Bengal): Thank you, Madam Deputy Chairperson. I rather thought of starting with your observations. But I did not know that you would say that. Madam, when I used to occupy the place, which Mr. Maran, is now occupying, in 1995, I could hardly make my voice heard on the floor of the House, after the signing of the Marrakesh Agreement, establishing W.T.O., on 15<sup>th</sup> of April, 1994. But, today, surely the situation has changed, and we can have a discussion dispassionately, as everyone would appreciate that it is a complicated international agreement and there are various aspects on which we would like to reflect and give our views. We are grateful to the hon. Commerce Minister, Mr. Maran, who is also holding the portfolio of Industry, for making a *suo motu* statement on 21<sup>st</sup> November and also circulating the Ministerial Declaration, along with certain other relevant papers.

Madam, this is the Fourth Session of the Ministerial Conference of the W.T.O. After the Marrakesh Declaration, the first session was in Singapore in 1996, followed by a session at Geneva in 1998, and, thereafter, there was some sort of a fiasco at Seattle, and, ultimately, at Doha, which was held between 9<sup>th</sup> and 14<sup>th</sup> November, 2001. The hon. Minister, while making his observations and while making the statement, very correctly pointed out -- he has stated in paragraph three of the statement -- "Hon. Members may recall that we have attached high priority on resolution of the implementation concerns. The recognition of asymmetries for the first time was a major gain".

Madam, all of us are fully aware of the background in which the Fourth Session of the Ministerial Conference took place at Doha. Many of the developing countries, especially India, took a position rightly so -- that unless the implementation of the issues which have been agreed upon at Marrakesh are fully resolved to the entire satisfaction of the contracting parties -- in this case it is the States -- there is no point in launching a new round of discussions and bringing in more subjects. In fact, Madam, you will recollect, this is the position we took long ago even after the conclusion of the Tokyo round of negotiations in 1976 in the old GATT. GATT was established in 1948 and thereafter we had several rounds. We took the position that unless the pending issues of the Tokyo round were resolved, there was no point in having any new round. But, ultimately the new round began in Uruguay at Punta del Este. It concluded on 15<sup>th</sup> April, 1994 after

the Ministerial Declaration. One of the issues, which are popularly known as Singapore Issues, on which I would like to have some detailed clarifications from the hon. Minister, was the implementation of issues: implementation in regard to agreement on agriculture, implementation in regard to agreement on textiles and clothings, implementation in regard to TRIPS. These were the agreements on which we were vitally concerned and we wanted to have a satisfactory resolution before the launching of a new round.

On the other hand, the Western countries, especially the industrialised countries, were eager to launch a new round, including trade and investment, trade and competition, trade facilitation and trade-related environment.

Ultimately, we had the privilege -- and I must thank the hon. Commerce Minister for inviting me and Dr. Manmohan Singh before he went to Marrakesh -- to have a discussion on these international issues of vital interests to the country in the international agreements. Naturally, we would like to air our perception. This is not an occasion to score a point here and there, but to look at the whole thing objectively and with the perspective of the national interests. In this connection, I would like to mention that if the hon. Minister can kindly clarify the position on these, it would be of great help.

As I have noted the language of the hon. Minister in regard to our concerns in regard to the implementation of the different issues, I find a strange similarity in the formulation almost in the same language in all the Ministerial Declarations.

Paragraph 12 of the Declaration deals with the implementation related issues and concerns. What is the language that the hon. Minister has used there? I quote: "We attach the utmost importance to the implementation related issues and concerns raised by Members and determine to find the appropriate solution to them." Thereafter, he has gone into a little detail. That was in the Fourth Session.

Now, if we go to the Declarations of the Second Session at Singapore, exactly the same phraseology was used, that we attach high importance to the resolution of the implementation-related issues. In the Geneva Declaration, after two years, in 1998, the same phraseology was used. It was mentioned that the concerned committee should meet in a special session and try to resolve the implementation concerns voiced by the developing countries. What do we want? We entered into an agreement,

under the WTO, and established the WTO. In these multilateral trade negotiations, we agreed, "Yes, we will meet your concerns about the TRIPS, about amending the patent laws, about protecting the interests of the patent inventors, but you please accommodate our concerns about textiles, where we have a competitive advantage. Please dismantle the MFA, Please remove the trade distorted subsidy which you are providing to your agricultural sector and making our agricultural exports almost impossible." Under the agreement on sanitary and phyto-sanitary things, protectionist measures were taken, which, in abbreviation, is called FPA -- if I remember correctly; if I am wrong, the hon. Minister can correct me -- and the United States of America alone has resorted to 341 SPS up to 2000, followed by the European Union 171 SPS. In plain language, these are nothing but taking protectionist measures so that agricultural exports from the developing countries to the industrialised countries cannot take place. We wanted that these distorted trade measures should be avoided. We wanted that within the stipulated period, there should be total dismantling of the MFA so that with the competitive advantage we have in textiles, we can expand our exports. In textiles, countries like India and Bangladesh, and similarly situated countries can generate employment opportunities. But, unfortunately it has not been done. That is what we are emphasising. Here, I have some doubt on what the hon. Minister has stated in his statement, and what I find from the actual Ministerial Declaration. What are the positions in regard to investment, in regard to trade facilitation, in regard to environment? Take paragraph 2-, the relationship between trade and investment. What has been stated in the last sentence, I quote "We agree that negotiations will take place after the 5<sup>th</sup> session of the Ministerial Conference, on the basis of a decision to be taken by explicit consensus at that session on modalities of negotiations." This is in regard to investment. In regard to the competition policy, exactly the same phrases have been used in paragraph 23. "We agree that negotiations will take place after the 5<sup>th</sup> session of the Ministerial Conference, on the basis of a decision to be taken by explicit consensus at that session on modalities of negotiations." In paragraph 26, on transportation in Government procurement, paragraph 27 on trade facilitation, the same language has been used, the same language has been repeated. I am not repeating them.

What does it mean? A plain reading of these things means that we have agreed for the negotiations. What is to be done? On what basis will the negotiations take place? Negotiations in regard to investment, negotiations in regard to trade facilitation, negotiations in regard to

1.00 P.M.

government procurement, negotiations in regard to competitiveness will take place after the Fifth Session of the Ministerial Conference. What is to be decided? What is left on the modalities of the negotiations? On what is a consensus called for? A consensus is not called for on whether the negotiations will take place or not. If I am wrong, the hon. Minister should correct me. My understanding of the formulation is that negotiations are being agreed upon, negotiations are not taking place right now, negotiations will take place after the Fifth Ministerial Meeting and at the Fifth Ministerial Conference, modalities of the negotiations will have to be worked out through explicit consensus. If that be the position, we are to assume that trade in investment has come in, trade in competition has come in, trade facilitation has come in, government procurement has come in. After these have already entered into the arena of negotiations, what should we do? Here, Madam Deputy Chairperson, I would like to quote from an observation of the hon. Prime Minister which he made while speaking in an international conference on the concerns of developing nations in the WTO regime, in New Delhi on 20<sup>th</sup> August, 2001. I quote: "The WTO is born into an unequal world, into a world divided among developed and developing countries and the first mandate of the WTO was, and continues to be, to help bridge this developmental gap among nations of the world." And what is happening, Madam? This is the unequal world. Let us recognise that this is an unequal world. Let us recognise that even after the establishment of the WTO, inequality has not reduced, but inequality has widened.

Even in 1999, 74 per cent of the total foreign direct investment has been appropriated by the industrialised countries. The share of the developing countries in the FDI was 38 per cent in 1997. Within two years, it has come down to 26 per cent. This is the reality. The reality is that the aggregate assets of the first 200 persons of the world, including corporations, are 1135 billion US dollars; and the aggregate income of the 582 million people living in 49 LLDCs, Least of the Less Developed Countries, is 146 billion US dollars or, in our Indian terminology, Rs.58 crores and 20 lakhs. Their aggregate income is 146 billion US dollars while the 200 richest persons of the world are having wealth of 1135 billion US dollars! This is the unequal world.

Let us accept the inequality. Let us accept that despite the multilateral trading system, despite strongly advocating the multilateral trading system, with all its ramifications, the hard-core fact is that, even

today, half of the world trade is shared between a couple of trading blocs--European, Indian, Asian and NAFTA and APEC. Therefore, what are we supposed to do in this situation? I am not subscribing to the views of the extremists that let us come out, because, I don't think that after coming out, we are going to achieve anything. If I cannot gain in the collective bargaining with the industrialized countries in a forum where rich countries have one vote each, in a forum where decision-making process will take place through explicit consensus, I don't think that by coming out of this forum, you will have a better position of bargaining. That was my view when I sat on that side, and that is my view when I am sitting on this side. Simply, accident of sitting does not change my views. Therefore, what are we to do? Here, my respectful submission to the Minister would be, as we have already suggested to him: Yes, consultations of the developing countries are needed. I read in the newspaper that the Minister has stated that he is going to have some like-minded countries and evolve some sort of joint common trade strategy. It is fine. If we can achieve it, nothing like that, and we should try to have it. But, at the same time, Mr. Minister, kindly remember that this is also a world where there is no free lunch. Every country will have a hard bargaining, and we have to swallow this bitter pill, because all of us took a position that the Dunkel Draft was not acceptable to us. That was the position we took till September, 1993. Suddenly, we found that 39 developing countries, under the leadership of the then Mexican President, wrote letters to the then U.S. President, the British Prime Minister and the Japanese Prime Minister that let the negotiations start on the basis of the Dunkel Draft; and ultimately, what happened? You are fully aware of it. By December 1993, the same thing was adopted, which was pending for almost a year, which was known as Dunkel Draft, and thereafter, the Ministerial Conference took place which ratified that, and the Marrakesh Declaration came. So, what are we supposed to do? My respectful submission to you would be that let us try to get the maximum out of it. Let us engage ourselves. Let us not disengage ourselves. It is not a conference of 100 countries. Some 24-25 countries will sit across the table and will arrive at a decision. This provides a broad umbrella agreement. Within that umbrella agreement, various trading partners will negotiate with them, and on two major issues, I have some positive suggestions for the consideration of the hon. Minister, as I understand. In respect of the agriculture agreement, we will still continue. What is our interest in agriculture? First, we would like to see that the computation of AMS which was adopted at the Uruguay Round of Discussion, is taken care of. The

base year, of course, be shifted. At that point of time, the base year was 1986, 1987 and 1988. Today, you change the base year. But keep the broad framework of that parameter of determining the aggregate measurement support, both product-specific and non-product specific, where we feel we have the advantage. At that point of time, our total aggregate measurement supports were construed to be negative, 19,000 crores of rupees. There may be some variations after the international price changes. But still we think that we have that advantage. The second point is that we shall have to make a very hard bargain in regard to the minimum market access. The minimum market access which was agreed upon at that point of time was 3 per cent. That was in regard to some of the distortions which were taking place, which were GATT inconsistent. At that point of time, it was covered by the BoP. A country has a cover of the Balance of Payment situation, and here, there is a misconception and misunderstanding, that the removal of quantitative restrictions on import has come with the signing of the Marrakesh Agreement in 1994. It is not so. The ban on quantitative restrictions was there from day one, when the GATT was established. But there was a provision that the countries which were having balance of payments problem, as certified by the IMF, could resort to quantitative restrictions on imports. Otherwise, even under the old GATT, the imposition of quantitative restrictions on imports was banned, was not permissible. But it was permissible in respect of only those countries which had a balance of payments crisis, as certified by the IMF. You have covered so long. So, we thought that it is a part inbuilt in our system, but it is not so. Therefore, when your BoP situation improved, you lost the case. At Geneva, we contested, but we lost. And it was not agreed upon. So, I do not know whether you can go back to the days of quantitative restrictions. You can't. But, at the same time, it was agreed upon that, while computing the aggregate measurement support, the resource-poor farmers were excluded. If we can have that clause, and if the resource-poor farmers are excluded, then, most of the Indian subsidies will be outside the GATT.

The third aspect on which we shall have to emphasise, especially, in agriculture, is that the concept of food security cannot be negotiated, in global terms. It is the concern of the sovereign Government; it is the concern of the country concerned. Nobody can take the responsibility of feeding the one billion people of India. It is the Government of India; it is the people of India, who are to face this. Therefore, the concept of food security cannot be determined artificially, in the context of the global trading

negotiations. It has to be evolved on the basis of the socio-economic conditions prevailing in the country concerned. So far, we understand, Madam Deputy Chairperson, that our concept of food security is not concerned with production alone; it is concerned with procurement, it is concerned with distribution, and, therefore, the subsidies which we normally provide to the poor consumers should continue. Of course, in the old arrangement, *...#lme bell*. Madam, I think, you may have to take the sense, or if you give me four or five minutes, I will conclude.

THE DEPUTY CHAIRMAN: Sure.

SHRI PRANAB MUKHERJEE: ...in our concept of food security, the subsidies which we provide to the consumers, by no stretch of imagination, can be brought as producer subsidies because these are consumer subsidies. Therefore, our PD System should not be affected. In regard to the minimum access, now, what is the alternative before you? Only one alternative is there, which is a very effective alternative, but, I am afraid, it is not being done. It should be done constantly. Imposition of customs duty is not merely the job of the Finance Minister but also of the Commerce Minister--with due excuse to Dr. Manmohan Singh, who was a very distinguished Finance Minister; I was also Finance Minister, but I was both Finance Minister and Commerce Minister; so, I had the opportunity of sitting on both sides of the Table--and especially after the establishment of the WTO where it should be constantly reviewed. One of the major problems with which we suffered, to my mind, is the tariff adjustment. It is true that we import; we, rather, raise the tariff, because you can't go for quantitative restrictions; you cannot have the licence. Therefore, the only effective instrument you can have for regulating undesirable imports is the tariff adjustment, and if the tariff adjustment does not take place at the appropriate time, and if you enhance the import tariff after the goods are imported, it does not help. And it has helped. In most of the areas, I do not know what would be the binding date and whether he would be able to achieve it through negotiations. But we have protected the interests of the farming community to the full extent, when we have 100 per cent duty on primary products; 150 per cent duty on processed agricultural products; and 300 per cent on edible oil. They were substantially covering our agricultural products, and there was no fear of imports. Therefore, in the areas of aggregate measure support mechanism, and the efforts that are being made by some of the countries that there should not be any concept of negative subsidy, we should strongly resist it. In these areas, I respectfully submit,

do not take a position that everyone is going to give us concessions. We shall have to extract concessions by hard bargaining and hard negotiations. If I concede in one area, maybe, in the case of patents or in the sanitary and phyto-sanitary areas or in certain other areas, I would like to get reciprocal concessions from my trading partners in other areas. Unless we have that and we engage ourselves constantly in that, I am afraid, it would not be possible for us to take advantage out of the experiences. I said this myself in my concluding speech at the Ministerial Conference at Marrakesh, "That will judge us; not what we say in words; not what we declare in the Press and the media; but what becomes the actual achievement in concrete terms". If we find, in actual achievement, in concrete terms, that there are more export opportunities for developing countries, there is more employment generation for developing countries, there is more equitable distribution of wealth, fine. But, unfortunately, that has not taken place. It is the hard reality. Thirty years ago, there were only 24 less developed countries. Today, their number has increased to 49. It is the hard reality. Between 1980 and 1990, the growth rate in the 49 countries was 4.8 per cent. It had come down to 2.4 per cent between 1990 and 1998. Between 1990 and 1998, out of 159 countries, for which data is available, in 50 countries the GNP growth rate was negative; in 80 countries the GNP growth rate was just 3 per cent or less, and in 29 countries the GNP growth rate was above 3 per cent. These are the figures given by the World Bank; these are the figures given by other concerned agencies. Therefore, in this unequal world, unless we are alert and unless we do tough bargaining, I am afraid, we will not be able to protect our national interest. After all, all these institutional arrangements are not merely to subscribe our ideological concept, but to ensure that we get the maximum advantage out of it; not by exploiting others, but through the cooperation of each and every member-country. Thank you, Madam.

THE DEPUTY CHAIRMAN: Here, I would like to add something to what Mr. Pranab Mukherjee has stated. The Minister knows about it. At the Inter-Parliamentary Conference with the WTO at Geneva, in June, we passed a Resolution in support of the least developed countries or developing countries. I had sent the report to the hon. Minister to strengthen his hands. We also discussed the issue of indigenous technologies that were developed in every country. Take, for example, milking the cow. You will not be able to export abroad the product that you get out of your hand-milking the cow or the buffalo, because they want machines to be used for the entire process. These are some small

intricacies of the negotiations that we will have to look into. At our conference with the WTO at Geneva, as a partner, we discussed these issues. In the Brussels Conference of the least developed countries, the same concerns were raised by the least developed countries. I was in Doha. Almost bargaining was going on there. When we had a Conference of the IPU in support of the Doha Ministerial Conference, I wish I could stand there, when the Chairman was presiding, so that I could tell him how the support of the Parliamentarians of the developing countries can be taken. If I can be of any help to you, that will help and strengthen your hands. When Shri Mukherjee came, I referred to the ruling I gave that day, when I was addressing, that our Parliament can discuss these issues, but our Parliament, according to the Constitution, is not authorised to ratify any treaty or agreement that you sign abroad. But in many developing countries of Africa and Asia, the Parliaments have to ratify treaties and it is where the problem comes. Mr. Minister, I would request you to take the help of the Parliamentarians of developing countries and, then, you will have better support while you bargain.

The House is adjourned for lunch for one hour.

The House then adjourned for lunch at twenty-two minutes past one of the clock.

The House re-assembled, after lunch, at twenty-three minutes past two of the clock,

[THE VICE-CHAIRMAN (SHRI SURESH PACHOURI) in the Chair]

#### **SUPPLEMENTARY DEMANDS FOR GRANTS (RAILWAYS) 2001-2002**

THE MINISTER OF RAILWAYS (SHRI NITISH KUMAR): Sir, I lay on the Table a statement (in English and Hindi) showing the Supplementary Demands for Grants (Railways), for the year 2001-2002.

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#### **SHORT DURATION DISCUSSION**

**Decisions adopted at the 4<sup>th</sup> ministerial meeting in connection with W.T.O. negotiations recently concluded at Doha, which have far reaching implications on the Agriculture, Textile, Pharmaceutical and Chemical Sectors etc. of the country - contd.**